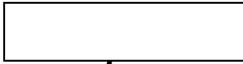




Director of
Central
Intelligence

(M)

~~Top Secret~~



National Intelligence Daily (Cable)

*Thursday
15 December 1983*

APPROVED FOR RELEASE
DATE: JUN 2005

~~Top Secret~~

CPAS MIDC 63-2926

15 December 1983

Copy 370

12

5 8 7

~~Top Secret~~

Contents



Iraq: Drawdowns in Foreign Assets

7



~~Top Secret~~

~~Top Secret~~

IRAQ: Drawdowns in Foreign Assets

[redacted]
[redacted] Baghdad in recent months sold gold to help cover its foreign exchange obligations. In August Iraq's total foreign exchange assets reportedly had dropped to less than \$4 billion, as compared with a prewar level of about \$35 billion [redacted]
[redacted]

Comment: The depletion of foreign exchange reserves, the gold sales, and large cuts in imports underscore the continuing severity of Iraq's financial situation. Foreign assistance, including aid from Arab states in the Persian Gulf and deferred payments arranged with Western creditors, have not been enough to offset the serious decline in oil income caused by the war. Incomplete trade data for 1983 suggest imports probably will fall to between \$10 billion and \$12 billion, a decline of between \$7 billion and \$9 billion from 1982. With reserves nearly exhausted and no prospects for a major increase in oil exports in the near term, Baghdad faces more unpopular import cuts in 1984. [redacted]



~~Top Secret~~